

## EDD Systemic Failure Timeline

Pre-COVID EDD Systematic Failures		
<i>Date</i>	<i>Item</i>	<i>Source</i>
<b>2013</b>		
<b>May, 2013</b>	EDD reduces phone call-in service from 8 a.m. to noon because of the lack of federal funds.	<a href="#">KCRA 3</a>
<b>August, 2013</b>	EDD experiences a “glitch” in their new computer upgrade system that resulted in delayed payments between August and October. The delays resulted in legislative hearing in the Fall of 2013.	KCRA 3
	EDD is awarded a grant from the U.S Department of Labor for the installation and use of a fraud-protection software system from Pondera Systems.	KCRA 3
29	Despite DOL grant, EDD experiences an increase in identity theft and fraudulent claims.	<a href="#">Fox 26 News</a>
<b>2016</b>		
<b>Summer</b>	EDD discontinues using the fraud-prevention Pondera system. They state it was because it cost too much, which was about \$2 million annually.	KCRA 3
Pandemic Related EDD Systematic Failures		
<b>2020</b>		
<b>March, 2020</b>	EDD tells people who are not eligible for unemployment to apply and then issues them award notices saying their benefit award was \$0. Department does not answer their phones to respond to questions.	Rep Doc
17	EDD shuts down all offices due to the coronavirus pandemic. The offices are closed and phones were shut off.	Rep Doc
19	People are unable to file for unemployment online after the website crashed and phones stop working.	<a href="#">WBTV</a>
25	EDD launches a new website. EDD's spokesperson cites a "sudden slam" due to the state shutdown for increased delays in benefits and says they're working on "new help items."	KCRA 3
27	The Federal Government warns the EDD that with CARES Act funding for unemployment will likely come attempts by fraudsters to illegally obtain funds.	Rep Doc
<b>April, 2020</b>		
17	After almost a month of delay, the application for the Pandemic Unemployment Assistance (PUA) program goes live on EDD's website and immediately crashes. Claimants struggle INTO DECEMBER OF 2020 to successfully get the EDD to process their applications.	KCRA 3
19	Both the new phone line and the EDD website experience problems. The website says, "we are having problems, please check back."	
20	EDD website has been freezing and the agency is not answering phone calls.	<a href="#">KTLA</a>
<b>May, 2020</b>		

11	EDD Whistleblower warns of identity thefts concerns. Many are emailing their names, date of birth, and social security numbers to random EDD email addresses found online.	KCRA 3
20	KCRA 3 Investigates obtains phone service contract for EDD. It is a no-bid emergency contract with Deloitte, the same company behind the problematic 2013 computer upgrade.	KCRA 3
25	KCRA 3 Investigates obtains phone service contract for EDD. It is a no-bid emergency contract with Deloitte, the same company behind the problematic 2013 computer upgrade.	KCRA 3
<b>June, 2020</b>		
11	An EDD phone worker has stated that the system is not working and that EDD phone workers only receive one day of training prior to taking their post.	KCRA
<b>July, 2020</b>		
2	Californians contact KCRA 3 saying they have waited 16 weeks or more for money.	<a href="#">KCRA 3</a>
8	Nearly 2 million claims have gone unpaid during COVID-linked business shutdowns.	<a href="#">Mercury News</a>
	Newsom announces a "strike team" to go inside EDD and create a "blueprint" for fixing the issues within the department. They are given until early September to announce their findings.	<a href="#">Santa Cruz Sentinel</a>
30	KCRA 3 Investigates begins to get messages about stacks of envelopes arriving in mailboxes from EDD. All list the correct addresses, but not the names of the people living in the homes and apartments.	KCRA 3
<b>September, 2020</b>		
2	EDD announces they will stop backdating claims to the Pandemic Unemployment Assistance Program; the program they now say is the hardest hit in fraudulent claims coming to EDD.	<a href="#">KCRA 3</a>
17	<p>The EDD strike team presents their report to EDD first, then releases it on a Saturday. In it, they detail a backlog of 1.5 million claims.</p> <ul style="list-style-type: none"> <li>• They talk about ancient computer systems, a 60-year-old programming language, and say that the phone lines are answered by people untrained for claims.</li> <li>• The strike team finds that EDD has so focused on minute areas of claims that could possibly point to fraud they completely ignored massive fraud coming into the department from the Pandemic Unemployment Assistance portal.</li> <li>• By this point, millions of Californians have not had their claims paid due to fraud.</li> <li>• The strike team recommends a complete shutdown for two weeks of new claims to reduce the backlog inside EDD.</li> </ul>	<a href="#">KCRA 3</a>

	EDD does instigate the "burn down" plan to reduce the backlog, but more than a million claims remain.	
19	EDD shuts down for two weeks as part of the "burn down" plan to reduce the backlog. They add the "ID.me" system, which the California DMV uses to verify identity in order to speed up claims and reduce fraud.	
<b>October, 2020</b>		
7	EDD finally releases how many accounts are now under scrutiny. The department freezes nearly 700,000 claims.	KCRA 3
8	Bank of America Freezes EDD Accounts of Nearly 350,000 Unemployed Californians for suspected fraud.	KCRA 3
<b>November, 2020</b>	California approved more than \$140 million for at least 20,000 prisoners including to well-known convicted murderers like Scott Peterson and Cary Stayner.	
24	In more attempts to prevent fraud, EDD begins freezing accounts, as does their contractor, Bank of America. Californians are finding their previously open accounts are now frozen. EDD blames Bank of America and Bank of America blames EDD.	
<b>December, 2020</b>		
17	The EDD runs claims through an algorithm that flags approximately a million claims as having potentially fraudulent activity. EDD immediately suspends all claims resulting from the algorithm without reviewing them.	<a href="#">KRON 4</a>
<b>January, 2021</b>		
15	While EDD has generated nearly 8 million tax forms for unemployment income, there is no indication whether they are all legitimate. The fear is that tax documents generated by EDD could be sent to many of EDD's victims of fraud.	<a href="#">Mercury News</a>
25	Unprepared, poor planning and ineffective management. That's how California's State Auditor Elaine Howle describes the inner workings at EDD.	<a href="#">KCRA 3</a>
<b>February, 2021</b>		
5	After multiple warnings, EDD has sent out millions of IRS tax forms for benefits they never applied for and now have to unravel the tax problem by getting an adjusted form from EDD.	KCRA 3
<b>March, 2021</b>		
5	Cost Of Deloitte's EDD Phone Center Balloons to \$55M, As Millions Of Calls Go Unanswered.	KCRA 3
<b>May, 2021</b>		
8	As of May 8, about 1.11 million California workers had filed jobless claims that were waiting for payment or resolution on the part of the state's Employment Development Department.	KCRA 3

14	Calls to the state's unemployment department have ballooned about 38% over the last month – and fewer are being answered, according to data from the agency.	<a href="#">Sac Bee</a>
	The backlog of claims -- and claims that EDD refuses to call backlogged, but "waiting for certification" -- comes to a combined total over a million claims.	<a href="#">Sac Bee</a>
28	With EDD's phone lines perpetually jammed, thousands of people are paying \$20 to \$80 per call to private companies that connect them to EDD by robo-dialing it — which in turn adds to the congestion.	<a href="#">ABC 10</a>
<b>Post CA Reopening EDD Systematic Failures</b>		
<b>June, 2021</b>		
14	Despite California reopening today, EDD still has a backlog of 230,000 claims – those waiting three weeks or more for benefits.	<a href="#">DOJ Press Release</a> <a href="#">CBS Los Angeles</a>
19	COVID economy: California unemployment claims backlog worsens. Workers in California face bigger backlogs 15 months after the coronavirus lockdown began.	<a href="#">Post News Group</a>
<b>July, 2021</b>		
6	Throughout much of 2020, the claims backlog was more than 1 million. And midway through 2021, more than 90% of the calls to the EDD call centers were going unanswered, compared with more than 99% in 2020. Currently, it takes the typical caller 11 tries to reach a human.	<a href="#">CBS News LV</a> <a href="#">Fox 5 LV</a> <a href="#">DOJ Press Release</a>
7	“Just how dysfunctional is California's unemployment department?”	<a href="#">Yahoo</a>
12	EDD's failures mount as they mail a Bay Area woman's private information to a stranger, raising more fears of identity theft.	<a href="#">NBC Los Angeles</a> <a href="#">News Nation USA</a>
15	Californians are once again receiving EDD mail addressed to other people.	<a href="#">CSLEA</a> <a href="#">KGET</a>
20	'California's thorough bungling of unemployment insurance system'	<a href="#">Mercury-Register</a>
21	“Long Beach man getting numerous EDD letters addressed to strangers” [Note: references EDD acknowledgement that California paid out \$158 billion in benefits since March 2020, about \$11 billion was confirmed as fraudulent, and \$20 billion labeled suspicious and likely fraudulent.]	<a href="#">ABC 7</a>
26	“How Unemployment Insurance Fraud Exploded During the Pandemic”	<a href="#">ProPublica</a>
30	'Delays for unemployment benefits persist, over a year into pandemic'	<a href="#">CNBC</a>
<b>August</b>		

18	“Nearly a year after a “strike team” appointed by Gov. Gavin Newsom recommended an overhaul of California’s unemployment benefits system, hundreds of thousands of jobless residents continue to experience delays in getting payments and the state is still grappling with the loss of billions of dollars to fraud.”	<a href="#">LA Times</a>
20	‘California EDD Fixes are still a question mark’	<a href="#">CalMatters</a>
	‘EDD Hearing Postponed, Sen. Nielsen says “This is Outrageous Political Gamesmanship.”’	<a href="#">East County Times</a>
24	“State [democrat] lawmakers have twice postponed a key hearing on the Employment Development Department and likely won’t take up the issue again until Sept. 21.	<a href="#">OC Register</a>
27	“The EDD’s “significant weaknesses” in fraud prevention were responsible for billions of dollars in “improper payments.””	<a href="#">Daily Breeze</a>
<b>September</b>		
19	‘Couple receives 50 EDD letters addressed to others’	<a href="#">The Sun</a>
21	EDD hearing postponed again. (Video)	<a href="#">Yahoo News</a>
24	‘Has EDD been held accountable for its pandemic blunders? Lawmakers and policymakers say...not yet.’	<a href="#">ABC News 10</a>
26	‘How California's EDD got scammed out of \$2 million by a prison inmate, a nurse and a car dealer employee’	<a href="#">SF Chronicle</a>

**\*Note:** All non-hyperlinked ‘KCRA 3’ sources was derived from the [KCRA EDD Backlog timeline](#).  
All other non-sourced data was derived from Senate Republican Office of Policy documents.